

## Customer Success Story

# Coca-Cola Korea

## Improves on Customer Service & Operations

Coca-Cola Korea Bottling Company, owned by Coca-Cola Amatil, is the leading beverage company in South Korea and is responsible for product manufacturing, distribution and customer support. Established in 1996, it employs approximately 3,000 employees. With a product line of over 120 SKUs, including Coca-Cola™, Sprite™, and Fanta™, Coca-Cola Korea generates more than US\$580 million in annual sales. Having the right product on the shelf at the right time is critical in the beverage industry. Coca-Cola Korea Bottling Company met this challenge with Descartes. Using Descartes' routing and scheduling solution, the company successfully reduced out-of-stocks while increasing delivery capacity by 13%.



With Descartes, we reduced out-of-stocks while increasing delivery capacity by 13%. We now have better customer service and our costs are down.



Tim Hossack,  
*Executive director of supply chain, Coca-Cola Korea Bottling Company*

## Challenge:

### Managing Routes to Meet Fluctuating Demand

A major challenge for bottlers today is meeting ever-fluctuating customer demand while keeping distribution costs under control. Coca-Cola Korea met the challenge with Descartes. With a private fleet of over 580 vehicles servicing more than 110,000 customers (supermarkets, convenience stores, and discount stores), Coca-Cola Korea was able to reduce stock-outs of its 120 products and reduce the amount of inventory returning at the end of the day.

## Solution:

### Optimized Sales and Distribution Processes

By redesigning sales and distribution processes through the use of the Descartes Sales & Territory Planner, Coca-Cola Korea was able to overhaul its operations in 20 months to improve efficiency and customer service.

Today, the company continues to drive competitive advantage through the use of the optimizer in Descartes Sales & Territory Planner™. Dispatchers at Coca-Cola Korea use Descartes Sales & Territory Planner to evaluate management strategies, competitive scenarios and promotional alternatives. The company is driving continuous improvement in costs and customer service through the redesign of territories, fine-tuning service visit frequency, and continuously reoptimizing routes for the nationwide customer base.

## Results:

### Enhanced Productivity

By strategically defining territories, optimizing routes and defining load capacity, Descartes Sales & Territory Planner has helped Coca-Cola Korea achieve significant results, including:

**Enhanced Customer Service:** Through route planning and performance management, Coca-Cola enhanced customer service. As a result, pre-sales agents can now spend less time traveling, and more time with customers to build relationships and set up stores with promotional advertising materials.

**Maximized Vehicle Utilization:** Dynamic routing and territory optimization reduced vehicle utilization and improved overall operational efficiency. The results were significant. The number of required vehicles was reduced by 11% due to a reduction in the distance driven by each truck by 30%. The trucks were also able to carry 13% more product per trip.

**Targeted Management Strategies:** Better decisions through territory optimization and planning enabled Coca-Cola Korea to effectively implement management strategies and gain competitive advantage. With changes in the market, the company can quickly redesign territories, rapidly deploy new services and products, and evaluate the results of simulated alternatives.